

CHAMPION NATURAL HEALTH.COM INC.

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MANAGEMENT'S DISCUSSION AND ANALYSIS THREE MONTHS ENDED JUNE 30, 2006

The following discussion and analysis provides a review of current activities and a comparison of the performance and financial position of Champion Natural Health.com Inc. (the "Company") for the three months ended June 30, 2006 and 2005. It should be read in conjunction with the financial statements and accompanying notes. The financial data in this document has been prepared in accordance with Canadian GAAP. Additional information relating to the Company is available on SEDAR at www.sedar.com. Comments in this document are prepared as of August 29, 2006.

Certain of the statements set forth in this MD&A, such as statements regarding planned activity and sales levels, gross margins, working capital, and the availability of capital resources to fund capital expenditures and working capital are forward-looking statements. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that expected results will be achieved. There are numerous risks and uncertainties that can affect the outcome and timing of events, including many factors beyond the control of the Company. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, the Company's actual results and plans for 2007 could differ materially from those expressed in this document. All dollar amounts are stated in Canadian dollars unless otherwise indicated.

The Company

The Company is a reporting issuer in Ontario and Alberta and its shares currently trade on the Canadian Trading and Quotation System Inc..

Overall Performance

On July 13, 2006 the Company announced in a press release that its Shareholders will be asked at an upcoming Annual and Special Shareholders Meeting (the "Meeting") to approve a conversion of each of the outstanding multiple voting shares of the Company into a fixed number of subordinated voting shares, followed by a consolidation (the "Consolidation") of all outstanding shares of the Company on the basis of up to six old shares of the Company for one new common share of the Company ("Post Consolidated Shares), with the actual Consolidation ratio to be determined by the board of directors of the Company following the Meeting. Shareholders will also be asked to approve a change in the name of the Company to Champion Metals Inc., or such other name as may be approved by the board of directors of the Company and applicable regulatory authorities.

The Company has taken the decision to actively seek, identify and acquire mineral resource projects. As part of the Company's new business strategy, management has been actively engaged in negotiations with parties in connection with the acquisition of mineral resource based assets. The Company announced in its July 13, 2006 press release that it had entered into an option agreement (the "Option Agreement") with Copper Hill Resources Inc. ("Copper Hill") pursuant to which the Company has the option to acquire a 70% interest in a mineral exploration property, the Powderhorn Lake Project (the "Powderhorn Property"). The Powderhorn Property consists of a total of 115 claims covering an area of 29 square kilometers situated in the Buchans-Robert's Arm Belt, in Central Newfoundland, Canada. It is approximately 40 km to the NE of, and on strike with, the renowned Buchans Mine VMS deposits which

produced 16.2 million tonnes from 5 orebodies with average mill head grades of 14.5%Zn, 7.6%Pb, 1.3%Cu, 126 g/t Ag and 1.4 g/t Au (source: J.G. Thurlow, 1990).

Pursuant to the Option Agreement, the Company has the option to acquire a 70% interest in the Powderhorn Property by: i) paying \$50,000 to Copper Hill; ii) incurring exploration expenditures of \$1,000,000 on the Powderhorn Property on or before the third anniversary of the execution date of the Option Agreement in the following yearly increments: \$200,000 in year one, \$300,000 in year two, and \$500,000 in year three; and iii) issuing and delivering to Copper Hill 600,000 Post Consolidated Shares as follows: 100,000 shares upon completion of the Consolidation, 150,000 shares before the first anniversary of the Option Agreement, 250,000 shares before the second anniversary of the Option Agreement, and 100,000 shares before the third anniversary of the Option Agreement; or upon completion of exploration expenditures required pursuant to the Option Agreement, or promptly after an economic discovery as evidenced by a pre-feasibility study has been made on the Powderhorn Property.

The Powderhorn Property is currently encumbered with a 2.85% Net Smelter Royalty ("NSR"), owned by various parties, of which 1.85% can be purchased by the joint venture participants for \$2,300,000 to reduce the NSR to 1.0%.

VMS-style mineralization was discovered on the Powderhorn Property in 1999 along the shores of the Powderhorn Lake, and also along new logging roads which were opened up in the surrounding property. Surface sampling and shallow drilling conducted by Copper Hill and Billiton Resources Canada Inc. ("Billiton") in 1999 and 2001 (average 100m deep) outlined altered and mineralized felsic volcanics, outcropping over an area of 2 by 1 km. Mineralization consists of both exhalative, massive zinc-rich layers with grades up to 9% zinc in chip samples from surface float and feeder-type, copper and gold mineralization assaying up to 3.1% copper and 3.5 g/t Au over 0.5m at a depth of 36m in drill core from one of the holes drilled by Billiton (source: D.H.C. Wilton, March 25, 2002, Geological Report Powderhorn Lake Property). Mineralization is open in all directions.

Future exploration work will be aimed at locating the centre of the stockwork copper-gold mineralization emplaced in the pile of felsic volcanics and massive sulphide lenses hosted by the overlying mineralized black shales.

The completion of the Option Agreement is subject to the receipt of all necessary regulatory approvals. However, the Company's ability to continue as a going concern is dependent upon securing financing arrangements to acquire mineral resource properties and meet its obligations as they fall due.

Results of Operations

The Company's loss for the three months ended June 30, 2006 was \$24,371 [2005 - \$17,926]. The increase in the loss compared to the previous year is primarily attributable to an increase in professional fees in connection with the Company implementing a new business strategy [see Overall Performance section above]. Notwithstanding the increase in total general and administrative expenses, the Company reduced its consulting fees and general office expenses for the three month period to \$5,777 in 2006, compared to \$17,926 in 2005.

Summary of Quarterly Results

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
<u>2007</u>				
Revenue	Nil			
Net (loss) profit	(24,371)			
Net loss per share, basic and diluted	(0.00)			

2006

Revenue	Nil	Nil	Nil	Nil
Net (loss) profit	(17,926)	(26,434)	(13,795)	(19,279)
Net loss per share, basic and diluted	(0.00)	(0.01)	(0.00)	(0.00)

2005

Revenue	Nil	Nil	Nil	Nil
Net (loss) profit	(42,353)	(53,601)	(369,789)	(47,209)
Net loss per share, basic and diluted	(0.01)	(0.01)	(0.04)	(0.01)

Financial Condition, Liquidity and Capital Resources

At June 30, 2006 the Company had a working capital deficit of \$117,088 (March 31, 2006 - \$92,717). The Company has to rely on the capital markets to raise capital via equity and/or debt financing or raise capital internally. In recognition of these conditions, the Company is actively working in its continuing efforts to establish a new business strategy. The Company has taken the decision to actively seek, identify and acquire mineral resource projects. However, the Company's ability to continue as a going concern is dependent upon securing financing arrangements to acquire mineral resource properties and meet its obligations as they fall due.

On July 13, 2006 the Company announced that it intends to proceed with a private placement of post-consolidation shares (the "Private Placement"). The Corporation intends to use the proceeds from the Private Placement as general working capital and to complete the initial phase of the exploration program on the Powderhorn Property (see Overall Performance section above). The Corporation may also issue post-consolidation shares at the same price and terms as set in the Private Placement to settle outstanding debts of the Company up to \$200,000.

Related Party Transactions

The Company was advanced \$19,610 by a corporation controlled by an officer and director of the Company for the three months ended June 30, 2006. Loan payable includes \$96,730 due to an officer and director of the Company.

Proposed Transactions

The Company is continuing its efforts to establish a new business strategy, and the Company has taken the decision to actively seek, identify and acquire mineral resource projects. As part of the Company's new business strategy, the Company entered into an option agreement with Copper Hill Resources Inc. pursuant to which the Company has the option to acquire a 70% interest in a mineral exploration property, the Powderhorn Lake Project (see Overall Performance section above).

Controls and Procedures

The Chief Executive Officer and Chief Financial Officer have evaluated the Company's disclosure controls and disclosures as at June 30, 2006 and have concluded that such controls and procedures are effective.

Changes in Accounting Policies including Initial Adoption

There were no changes in Accounting Policies during the year.

Risk Factors

The Company is continuing its efforts to establish a new business strategy, and the Company has taken the decision to actively seek, identify and acquire mineral resource projects (see Overall Performance above).

Management is of the opinion that suitable business opportunities will be identified and that financing will be obtained for those business opportunities. In addition to these risks, the Company's financial performance may be affected, favourably or adversely, by other external factors as described below.

Market Conditions

Demand for the Company's future products and services, if any, may not be sufficient to allow the Company to be profitable.

Financing

The Company requires equity financing for those suitable business opportunities identified. There is no assurance that such additional financing will be available when required or, if available, that it could be obtained on favourable terms.

Bank Debt and Long Term Debt

The Company currently has no bank debt or long term debt.

Competition

The Company is currently looking for suitable business opportunities and any such business would be subject to strong competition with companies that have significantly greater resources and other smaller companies which have certain competitive advantages.

Shares Outstanding at June 30, 2006 and August 29, 2006

9,158,303 subordinate voting shares
217,758 multiple voting shares

Thomas Larsen
President
August 29, 2006